



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Authorize Staff to Modify Labor Unit Memorandum of Understandings (MOUs) According to Signed Tentative Agreements (TAs)

MEETING DATE: June 2, 2010

PREPARED BY Human Resources Manager

RECOMMENDED ACTION: Authorize staff to modify labor unit memorandum of understandings (MOUs) according to signed tentative agreements (TAs).

BACKGROUND INFORMATION: Following general City Council direction, staff has sought to ensure a balanced 2010/2011 General Fund budget. This has necessitated reducing expenditures within City departments to include employee unit/group's salary and benefits. Accordingly, staff has negotiated tentative modifications to current employee Memoranda of Understanding to reduce these expenses for all units except for IBEW, which had previously negotiated a salary and benefit reduction agreement for the 2010/11 fiscal year. NOTE: the Tentative Agreement for the Lodi Professional Firefighters (**LPF**) Bargaining Unit will be presented to Council on June 16th as the ratification vote for that agreement is not scheduled until June 3, 2010 (though the LPF Board has indicated its approval of this agreement).

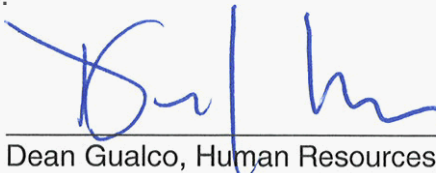
As the members of each bargaining unit have different interests/needs in terms of salary and benefits, the structure of each tentative modification differs. However, modifications center around a combination of furloughs, salary reductions, overtime restrictions, limits on cash-out of benefits and elimination of deferred compensation matching programs.

The tentative agreements signed for the 2010/11 fiscal year include the same bargaining concessions by unit as in the 2009/10 fiscal year. The total value of these contributions is approximately \$2.3 million for FY 2010/11.

Please refer to Attachment A for a review of contributions by bargaining unit. The tentative agreements are attached.

FISCAL IMPACT: The above reduces the City's General Fund salary and benefit obligations by approximately \$2.3 million for Fiscal Year 2010/2011.

FUNDING AVAILABLE: Not applicable.



Dean Gualco, Human Resources Manager

APPROVED: 

Konradt Bartlam, Interim City Manager

**City Council of the City of Lodi
Employee Concessions for FY 10-11**

	Salary/Benefit Concessions						
	Salary Reduction	Furlough	Waive Def. Comp Match	Waive OT	No CTO Cashout	No Holiday Cashout	No Vacation Cashout
Executive Management		96 hours (4.6%)	✓				
Mid-Mgmt incl. Confidential		96 hours (4.6%)	✓				
Maintenance & Operators		48 hours (2.3%)					
General Services		96 hours (4.6%)	✓				
Confidential (GS)		96 hours (4.6%)	✓				
Firefighters	2.5%		✓	✓	✓		✓
Fire Mid- Management		103 hours (4.96%)	✓	✓	✓		
Dispatchers		58 hours (2.8%)	✓	✓		✓	
Police Officers		48 hours (2.3%)	✓	✓	✓	✓	
Police Mid-Mgmt		108 hours (5.2%)		✓	✓	✓	
IBEW	Reduced COLA from 3.5% to 2%	24 hours (1.15%)					

SIDE LETTER TO THE LODI CITY MID-MANAGEMENT ASSOCIATION MOU

- A. The City of Lodi and the Lodi City Mid Management Association currently operate under a Memorandum of Understanding effective January 1, 2008 through December 31, 2010.
- B. This Addendum is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree that members of the bargaining group will:

Article I Salary and Term shall be amended as follows:

Add new section 1.6 as follows: Bargaining unit members agree to accept an unpaid furlough of one day per month from July 1, 2010 through June 30, 2011.

Article III: Deferred Compensation:

At the end of Article 3, add the following sentence: Bargaining unit members agree to forego all deferred compensation matches they would otherwise be entitled to between the pay periods in which July 1, 2010 and June 30, 2011 fall.

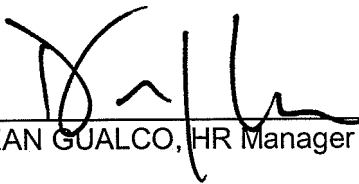
This Addendum shall not become effective until approved by the Lodi City Council. Moreover, it is entered with the understanding that similar operational savings will be implemented with respect to all City bargaining units and Executive Management. Similar operational savings shall include but not be limited to savings achieved by any individual or combination of reductions including but not limited to furloughs, salary reductions, minimum staffing reductions, overtime restrictions, limits on cash out of benefits, and elimination of deferred compensation matching programs.

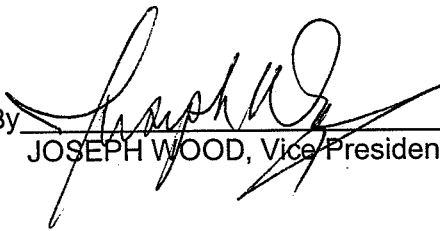
CITY OF LODI,
a municipal corporation

Lodi City Mid-Management Assn.

KONRADT BARTLAM, Interim City Manager

By 
CURT JURAN, President

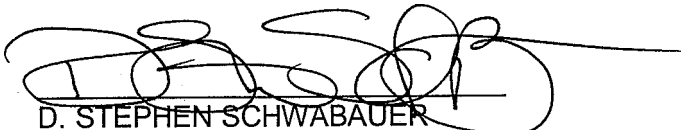

DEAN GUALCO, HR Manager

By 
JOSEPH WOOD, Vice President

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:


D. STEPHEN SCHWABAUER
City Attorney

**SIDE LETTER TO THE AFSCME COUNCIL 57 LOCAL 146-AFL-CIO
MAINTENANCE & OPERATIONS UNIT MOU**

- A. The City of Lodi and the AFSCME Council 57 Local 146-AFL-CIO Maintenance & Operations Unit currently operate under a Memorandum of Understanding effective July 1, 2008 through December 31, 2010 as amended by addendum dated March 2009.
- B. This Side Letter is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree that members of the bargaining group will:

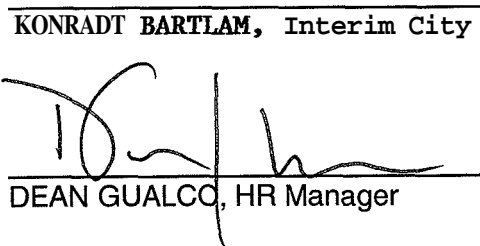
Article I – Salary, shall be amended as follows:

Add new sentence at end of Article I as follows: Bargaining unit members agree to accept six (6) unpaid furlough days from July 1, 2010 through June 30, 2011. These days are to be scheduled the last Friday of every other month beginning in July 2010. The furlough date in November will be Wednesday, November 24, 2010.

This Side Letter shall not become effective until approved by the Lodi City Council.

CITY OF LODI,

AFSCME Council 57 Local 146-AFL-CIO Maintenance/Operator

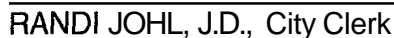

KONRADT BARTLAM, Interim City Manger

By 
Business Agent

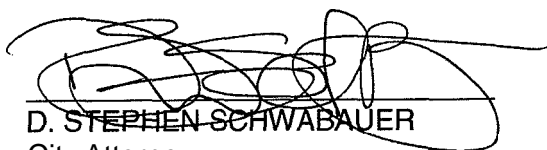

DEAN GUALCO, HR Manager

By 
President

ATTEST:


RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:


D. STEPHEN SCHWABAUER
City Attorney

**SIDE LETTER TO THE AFSCME COUNCIL 57 LOCAL 146-AFL-CIO
GENERAL SERVICES UNIT MOU**

- A. The City of Lodi and the AFSCME Council 57 Local 146-AFL-CIO General Services Unit currently operate under a Memorandum of Understanding effective July 1, 2008 through December 31, 2010 as amended by Addendum dated February 2009.
- B. This side letter is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree that members of the bargaining group will:

Article I – Salary, shall be amended as follows:

Add new sentence at end of Article I as follows: Bargaining unit members agree to accept an unpaid furlough of 8 hours per month to be scheduled the last Friday of the month from July 1, 2010 through June 30, 2011. The furlough date in November will be Wednesday, November 24, 2010.

Article IV - Deferred Compensation shall be amended as follows:

At the end of section 4.1 add the following sentence: However, bargaining unit members agree to forego all deferred compensation matches they would otherwise be entitled to between the pay periods in which July 1, 2010 through June 30, 2011 fall.

This Side Letter shall not become effective until approved by the Lodi City Council.

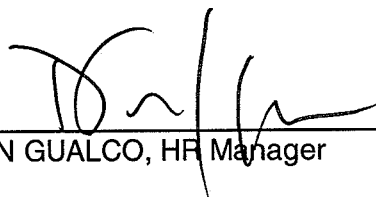
CITY OF LODI,

AFSCME Council 57 Local 146-
AFL-CIO General Services Unit

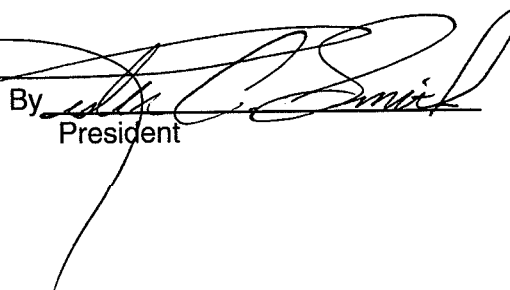
KONRADT BARTLAM, Interim City Manager

By


Business Agent



DEAN GUALCO, HR Manager

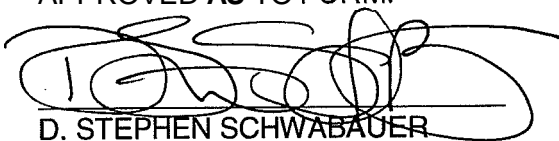
By 

President

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED **AS** TO FORM:



D. STEPHEN SCHWABAUER
City Attorney

**SIDE LETTER TO THE LODI FIRE MID-MANAGEMENT
STATEMENT OF BENEFITS**

May 2010

- A. The City of Lodi issued a Lodi Fire Mid Management Statement of Benefits effective July 1, 2008 through December 31, 2010 as Amended by Addendum dated February of 2009.
- B. This Side Letter *is* issued for the purpose of addressing the significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the Statement of Benefits shall be amended as follows:

Article I – Salary, shall be amended to add the following:

1.4 Add the following at the end of paragraph 1.4 as follows: Lodi Fire Mid Managers agree for the first pay period in which July 1, 2010 falls and ending on the first pay period in which June 30, 2011 falls to give a total salary and benefit contribution of 1.96 percent of regular salary and benefits, and waive vacation cash out. These contributions are in addition to the contributions from the February 2009 Addendum, which are extended through June 30, 2011. The contribution shall be made up of a combination of furlough hours and/or waiving deferred compensation match, at each member's election.

Furlough hours shall be scheduled based on availability and shall, for Battalion Chiefs, be deducted from salary in equal installments across all fiscal year pay periods. Division Chief hours shall be deducted in the week actually taken. Unless scheduling issues prevent use of furlough hours, members shall use furlough hours before sick, vacation, compensatory time off and holiday leave. Moreover, furlough hours that have not been used by June 30, 2011, may be carried forward and must be used or forfeited by December 31, 2011. In the event a member's employment terminates during the fiscal year, furlough hours shall be prorated by the percentage of the year worked. Furlough hours used in excess of prorated hours shall be deducted from available leave balances, and if other leave balances are inadequate, repaid to City.

COMPOSITION OF UNIT

To address overtime expenditures with shift Battalion Chiefs, the City will meet and confer with unit members on proposals and solutions. Any modifications to the unit will not occur prior to January 1, 2011.


Between July 1, 2010 and the expiration of the Statement of Benefits, the City agrees to begin contract negotiations for a Statement of Benefits to be effective January 1, 2011. The bargaining unit understands the City will initiate discussions regarding shift Battalion Chief overtime concurrently with these contract negotiations.

This Side Letter shall not become effective until approved by the Lodi City Council.

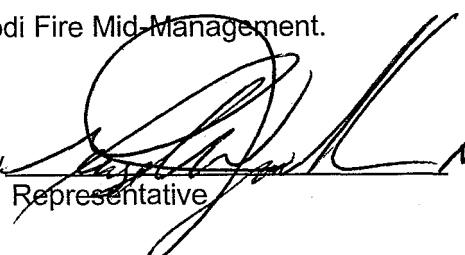
CITY OF LODI,
a municipal corporation

Lodi Fire Mid-Management.

Manager



DEAN GUALCO, HR Manager
DEAN GUALCO, HR Manager

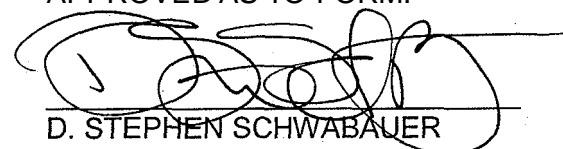
By  May 4, 2010

Representative

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:



D. STEPHEN SCHWABAUER
City Attorney

SIDE LETTER TO THE POLICE MID MANAGEMENT ASSOCIATION OF LODI MOU

- A. The City of Lodi and the Police Officers Association of Lodi currently operate under a Memorandum of Understanding effective October 9, 2007 through October 8, 2011 as amended by Addendum dated February 2009.
- B. This Side Letter is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree that members of the bargaining group will:

Furlough Time:

Accept 108 unpaid furlough hours in lieu of a 5.2% salary reduction in the FY 10-11. Furlough hours shall be scheduled based on availability and shall be deducted from salary in equal installments across all fiscal year pay periods (4.15 per paycheck).

Furlough hours must be used by October 8, 2012, and may also be used any time in lieu of sick leave.

In the event a member's employment terminates during the fiscal year, furlough hours shall be prorated by the percentage of the year worked. Furlough hours used in excess of prorated hours shall be deducted from other available leave balances, and if other leave balances are inadequate, repaid to City.

Compensatory Time:

Bargaining unit members agree that they shall not cash out any compensatory time off from July 1, 2010 through June 30, 2011. Moreover, members acknowledge that the 2010/11 Police Department budget does not include any expenditures for overtime. The parties agree that they will work cooperatively to minimize overtime expenditures in the department to avoid mid year budget cuts that would be required to meet the overtime expenditures.

Fourth of July and the Grape Festival:

Overtime on July 4th and during the Grape Festival shall be on a paid rather than a Compensatory time off basis.

Holidays:

All holiday leave accrued during the pay periods in which January 1, 2010 through December 31, 2010 fall must be used by October 31, 2011 and may not be banked or cashed out. This limitation shall not apply to members retiring during the 2010-2011 fiscal year.

This Side Letter shall not become effective until approved by the Lodi City Council, and the particulars of this Side Letter will be evaluated during the Mid-year budget process.

CITY OF LODI,
a municipal corporation

Police Mid-Management Association

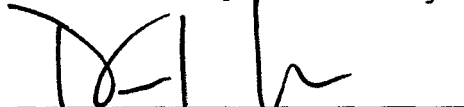


KONRADT BARTLAM, Interim City Manager

By



President

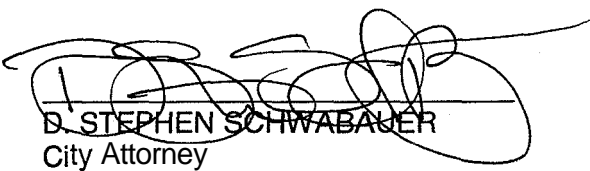


DEAN GUALCO, HR Manager
DEAN GUALCO, HR Manager

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:



D. STEPHEN SCHWABAUER
City Attorney

SIDE LETTER TO THE LODI POLICE DISPATCHERS ASSOCIATION MOU

- A. The City of Lodi and the Lodi Police Dispatchers Association currently operate under a Memorandum of Understanding effective November 6, 2007 through April 30, 2011, as amended by Addendum dated February 2009.
- B. This Addendum is entered into for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree that members of the bargaining group will:

Furlough Time:

Accept 58 unpaid furlough hours in lieu of a 2.8% salary reduction in the FY 10-11. Furlough hours shall be scheduled based on availability and shall be deducted from salary in equal installments across all fiscal year pay periods (2.3 hours per paycheck). Furlough hours must be used by April 30, 2012.

In the event a member's employment terminates during the fiscal year, furlough hours shall be prorated by the percentage of the year worked. Furlough hours used in excess of prorated hours shall be deducted from other available leave balances, and if other leave balances are inadequate, repaid to City.

Deferred Compensation:

At the end of Section 19.2 add the following sentence: Bargaining unit members agree to forego all deferred compensation matches they would otherwise be entitled to between the pay periods in which July 1, 2010 and June 30, 2011 fall.

Holiday Leave:

As a result of the additional furlough hours granted by this agreement, holiday leave hours accrued during the pay periods in which January 1, 2010 through December 31, 2010 must be used by June 30, 2012, and may not be banked or cashed out. This limitation shall not apply to members retiring during the 2010-2011 fiscal year.

Compensatory Time:

The parties agree that they will work cooperatively to minimize overtime expenditures in the department to avoid mid year budget cuts that would be required to meet the overtime expenditures.

At the end of section 2.9(a) add the following sentence: During the pay periods in which July 1, 2010 through June 30, 2011 fall, a maximum of 480 hours of compensatory time may be carried on the books. After June 30, 2011, employees with banks in excess of 144 hours shall be entitled to continue to use their excess

compensatory time but shall not be eligible to accrue additional compensatory time until their compensatory time balance falls back below 144 hours.

Fourth of July and the Grape Festival:

Overtime on July 4th and during the Grape Festival shall be on a paid rather than a Compensatory time off basis.

This Addendum shall not become effective until approved by the Lodi City Council.

CITY OF LODI,
a municipal corporation

Lodi Police Dispatcher Association

KONRADT BARTLAM, Interim City Manager

By Kimberly Van Tassel
President

DEAN GUALCO, HR Manager

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER
City Attorney

**SIDE LETTER TO THE POLICE OFFICERS ASSOCIATION
OF LODI MOU**

- A. The City of Lodi and the Police Officers Association of Lodi currently operate under a Memorandum of Understanding effective October 9, 2007 through October 8, 2011 as amended by Addendum dated February 2009.
- B. This Side Letter is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree that members of the bargaining group will:

Furlough Time:

Accept 48 unpaid furlough hours in lieu of a 2.3% salary reduction in the FY 10-11. Furlough hours shall be scheduled based on availability and shall be deducted from salary in equal installments across all fiscal year pay periods (1.9 hours per paycheck).

In the event a member's employment terminates during the fiscal year, furlough hours shall be prorated by the percentage of the year worked. Furlough hours used in excess of prorated hours shall be deducted from other available leave balances, and if other leave balances are inadequate, repaid to City.

Furlough hours must be used by October 8, 2012.

Deferred Compensation:

At the end of Section 35.2 add the following sentence: Bargaining unit members agree to forego all deferred compensation matches they would otherwise be entitled to between the pay periods in which July 1, 2010 and June 30, 2011 fall.

Compensatory Time:

Bargaining unit members agree that they shall not cash out any compensatory time off from July 1, 2010 through June 30, 2011. Moreover, members acknowledge that the 2010/11 Police Department budget does not include any expenditure for overtime.

The parties agree that they will work cooperatively to minimize overtime expenditures in the department to avoid mid year budget cuts that would be required to meet the overtime expenditures.

At the end of section 5.2 add the following sentence: During the pay periods in which July 1, 2010 through October 8, 2011 fall, a maximum of 480 hours of compensatory time may be carried on the books. After June 30, 2011, employees with banks in excess of 240 hours shall be entitled to continue to use their excess compensatory time but shall not be eligible to accrue additional compensatory time until their compensatory time balance falls back below 240 hours.

Fourth of July and the Grape Festival:

Overtime on July 4th and the Grape Festival shall be paid rather than a Compensatory time off basis.

Holidays:

All holiday leave accrued during the pay periods in which January 1, 2010 through December 31, 2010 fall must be used by October 31, 2011 and may not be banked or cashed out. This limitation shall not apply to members retiring during the 2010-2011 fiscal year, which are: Val Chaban, Roger Butterfield, JD Moore, and Hans Van Noord.

This Side Letter shall not become effective until approved by the Lodi City Council, and the particulars of this Side Letter will be evaluated during the Mid-year budget process. Except for terms that expressly extend beyond June 30, 2011, this Side Letter expires on June 30, 2011.

CITY OF LODI,
a municipal corporation

Police Officers Association of Lodi

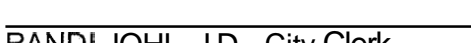
~~KONRADT BARTLAM~~, Interim City Manager

By

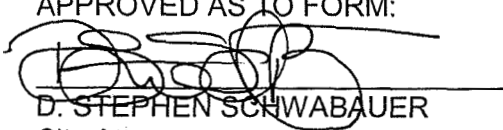
President


DEAN GUALCO, HR Manager

ATTEST:


RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:


D. STEPHEN SCHWABAUER
City Attorney